



RECEIVED

2020 JUL -1 PM 3:25

IDAHO PUBLIC
UTILITIES COMMISSION

LISA D. NORDSTROM
Lead Counsel
lnordstrom@idahopower.com

July 1, 2020

VIA ELECTRONIC FILING

Diane Hanian, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Boulevard
Building 8, Suite 201-A
Boise, Idaho 83714

Re: Case No. IPC-E-19-19
2019 Integrated Resource Plan
Idaho Power Company's Motion to Suspend and
Update Regarding Boardman to Hemingway Transmission Line Project

Dear Ms. Hanian:

Attached for electronic filing in the above matter is Idaho Power Company's Motion to Suspend and Update Regarding Boardman to Hemingway Transmission Line Project.

If you have any questions about the enclosed documents, please do not hesitate to contact me.

Very truly yours,

Lisa D. Nordstrom

LDN:sdh
Attachment

LISA D. NORDSTROM (ISB No. 5733)
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
Telephone: (208) 388-5825
Facsimile: (208) 388-6936
lnordstrom@idahopower.com

Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER
COMPANY'S 2019 INTEGRATED
RESOURCE PLAN

) CASE NO. IPC-E-19-19
)
) IDAHO POWER COMPANY'S
) MOTION TO SUSPEND
) PROCEDURAL SCHEDULE
)
) AND
)
) UPDATE REGARDING
) BOARDMAN TO HEMINGWAY
) TRANSMISSION LINE PROJECT
)

Idaho Power Company (Idaho Power or Company), in accordance with Procedural Rule 056, hereby moves the Idaho Public Utilities Commission (Commission) suspend the procedural schedule in the above-captioned case. Idaho Power seeks this suspension to allow time for Idaho Power to conduct a comprehensive review of the Company's Integrated Resource Plan (IRP) modeling. As described in more detail below, Idaho Power has experienced complications in its efforts to implement a new modeling approach in this proceeding. While Idaho Power has previously amended the initial filing,

and has provided further corrections and revisions, the Company has identified additional issues that require additional diligence to ensure accuracy of certain aspects of the IRP analysis. For this reason, Idaho Power has initiated a systematic audit of the Company's IRP modeling in consultation with Idaho Power's internal audit division, to ensure the reliability of the IRP results. Idaho Power commits to concluding this audit and proposing a revised procedural schedule in this proceeding by no later than July 31, 2020. Idaho Power has consulted with Commission Staff and they do not oppose the Company's requested suspension.

In addition, Idaho Power wishes to provide an informational update related to the Boardman to Hemingway 500-kilovolt transmission line project (B2H). The B2H co-participants are exploring several scenarios of asset and service arrangements aimed at maximizing the value of the project to each of the co-participants' customers. Those negotiations are ongoing, and Idaho Power expects those discussions to continue for the foreseeable future. However, as part of the negotiations, the B2H co-participants are exploring a potential change in the project's ownership arrangement, whereby Idaho Power would acquire Bonneville Power Administration's (BPA) ownership share and provide transmission service to BPA's southeast Idaho customers. Because this ownership arrangement would include a commitment by BPA to fund the incremental cost of Idaho Power's increased ownership percentage through a long-term purchase agreement, the 21 percent ownership percentage assumed in the Amended 2019 IRP continues to provide a reasonable basis for least-cost, least-risk planning for the time being. While the negotiations are still in an exploratory stage, Idaho Power is providing this update at this time because BPA plans to discuss the possible ownership

arrangement with its southeast Idaho customers and Idaho Power believes the Commission would benefit from the background information provided herein.

I. MOTION TO SUSPEND PROCEDURAL SCHEDULE

1. Idaho Power filed its original IRP on June 28, 2019. At the recommendation of Idaho Power's Integrated Resource Planning Advisory Council, Idaho Power's IRP used a Capacity Expansion Modeling (CEM) approach to build and optimize alternative portfolios. Specifically, the Company employed the Long-Term Capacity Expansion (LTCE) tool in AURORA, which allows for portfolios to dynamically adjust based on the impacts of new capacity additions and other factors.

2. Subsequent to this initial filing, the Company identified an issue related to the CEM approach, which required the Company to perform additional modeling to confirm the accuracy of the IRP's conclusions. The LTCE model had optimized portfolios for the entire Western Electricity Coordinating Council (WECC) region, rather than for Idaho Power's system in particular. For this reason, on July 19, 2019, Idaho Power notified the Commission of the need to perform supplemental analysis to ensure that the IRP yielded a least-cost, least-risk solution specific to Idaho Power's service area, and asked that the Commission refrain from adopting a procedural schedule until an amended IRP could be filed.

3. Idaho Power filed its Amended IRP on January 31, 2020. This Amended IRP identified eight modifications to the original IRP,¹ and implemented a new manual modeling step to ensure that the LTCE results yielded the best possible economic and reliability outcomes for Idaho Power's system and customers. Importantly, these changes

¹ See Cover Letter to Amended 2019 IRP at 1-2 (Jan. 31, 2020) (setting out the eight specific changes).

resulted in only two modifications to the preferred portfolio's near-term 2019-2026 Action Plan: (1) the removal of the Franklin Solar facility, and (2) the addition of 5 megawatts (MW) of demand response in 2031, rather than in 2026.

4. Subsequently, on May 29, 2020, the Company provided a correction to the IRP related to the costs associated with the Jim Bridger Power Plant (Bridger). The need for this correction was identified while preparing a response to a discovery request in a separate docket before the Idaho Public Utilities Commission. While reviewing the Company's modeling outputs, it became clear that certain Bridger-related costs had inadvertently been excluded from portfolios in which a Bridger unit was exited prior to the existing shutdown date of 2034. This correction required the replacement of seven pages in the Company's Amended IRP but did not impact the Company's recommendation of the Preferred Portfolio—which remained the least-cost, least-risk solution to serve customers.

5. In recent weeks, the Company has identified necessary changes in the Amended IRP. These newly discovered issues have prompted Idaho Power to initiate a comprehensive review of its Amended IRP. The review is being performed by a multidisciplinary team of Company subject matter experts (IRP Review Team), including participants from the Company's internal audit division.

6. This new internal review and audit process is carefully analyzing all aspects of the Company's modeling. This process involves the following general steps:

- **First**, the IRP Review Team is examining how specific inputs—such as forecast data, operational constraints, and financial assumptions—are developed for inclusion in the AURORA model.

- **Second**, the IRP Review Team is investigating how inputs are adjusted or converted for incorporation into the AURORA model and that the inputs were correctly entered. For instance, some inputs must be converted from one type of measurement to another in order to accommodate the AURORA program, and the review team is checking to ensure that all such conversions were performed correctly.
- **Third**, the IRP Review Team is analyzing how the AURORA model handles the various inputs within the model itself (*i.e.*, the modeling logic), to make sure that the model is using the proper data inputs in the proper processes and that the modeling settings and options are suitably selected.
- **Fourth**, the review team is examining the consistency and accuracy of the AURORA model's outputs, to ensure that the model produces logical and consistent results.

The Company anticipates that this review and audit process will take approximately 2-3 weeks.

7. Once Idaho Power's internal review and audit is complete—and no later than July 31, 2020—the Company will provide a status update to the Commission and will propose a corresponding new procedural schedule. Until the results of this analysis are complete, however, the Company is unable to accurately forecast the time necessary to provide any revised modeling and analysis that may be required. As a result, Idaho Power respectfully requests that the procedural schedule be suspended until the Company has provided a further update by no later than July 31, 2020.

II. UPDATE REGARDING B2H PROJECT

8. The B2H project's co-participants are Idaho Power, BPA, and PacifiCorp. To date, the co-participants' contemplated interests in B2H have generally corresponded with their capacity needs, and with the current allocation of permitting costs borne by each co-participant as follows: Idaho Power: 21 percent; BPA: 24 percent, and PacifiCorp: 55 percent.² However, as described in Idaho Power's Reply Comments, the B2H co-participants are exploring several alternative asset, service, and ownership arrangements.

9. Under one of the scenarios being discussed, Idaho Power would assume BPA's previously-contemplated ownership share, Idaho Power would serve BPA's southeast Idaho customers, and BPA would pay the equivalent of its previously-contemplated ownership through the Open Access Transmission Tariff (OATT) for service to BPA's southeast Idaho customers. As part of the next steps in the discussions, BPA intends to reach out to its customers in southeast Idaho to solicit feedback on this potential arrangement. In light of this impending outreach, Idaho Power wishes to ensure that the Commission also possesses all relevant current information, despite the fact that the agreement remains under negotiation at this point.

10. BPA's interest in B2H is related to its need to provide service to BPA's customers in southern Idaho. Under the contemplated arrangement, Idaho Power would assume BPA's ownership share in the project, while BPA would be responsible to pay the costs of that increased share through a Network Integration Transmission Service Agreement (NITSA). Under the OATT, as a NITSA customer BPA would repay the full

² These percentages are rounded.

cost of the project necessary to meet BPA's needs—which, as noted above, equates to roughly 24 percent of the total costs of B2H—over the life of the project.

11. Idaho Power believes that the practical implications of this potential ownership arrangement for the Company's Amended IRP are limited. While Idaho Power's formal ownership interest would increase, the Company's original 21 percent ownership share would continue to reflect the Company's approximate share of the costs for B2H. Thus, Idaho Power's share of the financial responsibility for B2H, as analyzed in the Amended IRP, would remain unchanged. As a result, the Amended IRP's use of a 21 percent ownership share for purposes of the IRP's least-cost, least-risk analysis is still appropriate. However, if Idaho Power determines that its customers will experience additional benefits by virtue of owning 45 percent of B2H, then the Company will evaluate these net benefits in a future proceeding.

12. While Idaho Power believes that the current discussions are very promising, the B2H co-participants must still work through the details of the proposed ownership arrangement—as well as numerous other aspects of the negotiations—to ensure that it is in the best interests of each party's respective customers. Idaho Power will continue to provide updates as more information becomes available.

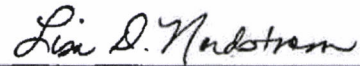
III. CONCLUSION

Idaho Power has commenced a comprehensive review and audit of its Amended IRP modeling, and asks that the Commission suspend the procedural schedule in this docket until the Company provides a further update by no later than July 31, 2020.

In addition, the Company is pleased to report that BPA remains committed to the construction of B2H and the co-participants have tentatively agreed to an ownership

structure that will maintain the co-participants' approximate financial responsibility for the project. These negotiations represent a positive step in the development of B2H.

DATED at Boise, Idaho, this 1st day of July 2020.



LISA D. NORDSTROM
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 1st day of July 2020 I served a true and correct copy of IDAHO POWER COMPANY'S MOTION TO SUSPEND SCHEDULE AND UPDATE REGARDING BOARDMAN TO HEMINGWAY TRANSMISSION LINE PROJECT upon the following named parties by the method indicated below, and addressed to the following:

Commission Staff

Edward Jewell
Deputy Attorney General
Idaho Public Utilities Commission
11331 W. Chinden Boulevard
Building 8, Suite 201-A
Boise, Idaho 83714

☐ Hand Delivered
☐ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email edward.jewell@puc.idaho.gov

IdaHydro

C. Tom Arkoosh
ARKOOSH LAW OFFICES
802 West Bannock Street, Suite LP 103
P.O. Box 2900
Boise, Idaho 83701

☐ Hand Delivered
☐ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email tom.arkoosh@arkoosh.com
stacie.foor@arkoosh.com

Idaho Conservation League

Benjamin J. Otto
Idaho Conservation League
710 North 6th Street
Boise, Idaho 83702

☐ Hand Delivered
☐ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email botto@idahoconservation.org

STOP B2H Coalition

Jack Van Valkenburgh
Van Valkenburgh Law, PLLC
P.O. Box 531
Boise, Idaho 83701

☐ Hand Delivered
☐ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email jack@vanvalkenburghlaw.com

Jim Kreider
60366 Marvin Road
La Grande, Oregon 97850

☐ Hand Delivered
☐ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email jim@stopb2h.org

Idaho Sierra Club

Julian Aris, Associate Attorney
2101 Webster Street, Suite 1300
Oakland, California 94612

☐ Hand Delivered
☐ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email julian.aris@sierraclub.org

Gloria D. Smith, Managing Attorney
2101 Webster Street, Suite 1300
Oakland, California 94612

☐ Hand Delivered
☐ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email gloria.smith@sierraclub.org

Ana Boyd, Research Analyst
2101 Webster Street, Suite 1300
Oakland, California 94612

☐ Hand Delivered
☐ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email ana.boyd@sierraclub.org

Industrial Customers of Idaho Power

Peter J. Richardson
RICHARDSON ADAMS, PLLC
515 North 27th Street (83702)
P.O. Box 7218
Boise, Idaho 83707

☐ Hand Delivered
☐ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email peter@richardsonadams.com

Dr. Don Reading
6070 Hill Road
Boise, Idaho 83703

☐ Hand Delivered
☐ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email dreading@mindspring.com

Micron Technology, Inc.

Austin Rueschhoff
Thorvald A. Nelson
Holland & Hart, LLP
555 Seventeenth Street, Suite 3200
Denver, Colorado 80202

☐ Hand Delivered
☐ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email darueschhoff@hollandhart.com
tnelson@hollandhart.com
aclee@hollandhart.com
glgarganoamari@hollandhart.com

Jim Swier
Micron Technology, Inc.
8000 South Federal Way
Boise, Idaho 83707

☐ Hand Delivered
☐ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email jswier@micron.com



Sandra D. Holmes
Legal Administrative Assistant